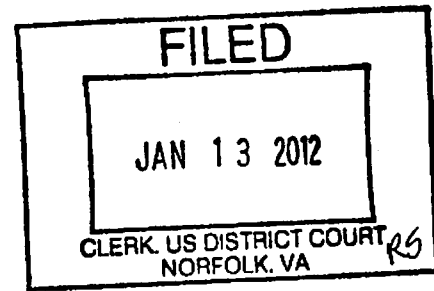


IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION



UNITED STATES OF AMERICA,

Plaintiff,

v.

PAUL R. RIDDICK
Norfolk, VA 23504

EDNA C. COPELAND
Norfolk, VA 23502

1215-1225 Norview Ave, LLC
Norfolk, VA 23504

ROLAND VAULTS LTD
Norfolk, VA 23502

COMMONWEALTH OF VIRGINIA
Richmond, VA 23282

Defendants.

No. 2:12cv32

COMPLAINT

The United States of America complains as follows:

1. This is a civil action in which the United States seeks (1) to reduce to judgment the assessments for federal employment (Form 941) and unemployment (Form 940) taxes and the penalty for failing to submit proper information returns made against Paul R. Riddick ("Taxpayer"), in connection with his business, Riddick Funeral Services, in Norfolk, Virginia, and (2) to foreclose corresponding federal tax liens against real property located at 1225 Norview Avenue, Norfolk, Virginia, 23513 (the "Real Property").

JURISDICTION AND VENUE

2. The Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury of the United States, authorized and requested this action, and it is brought at the direction of the Attorney General of the United States under the authority of 26 U.S.C. §§ 7401 and 7403.
3. Jurisdiction of this action is conferred on the Court by 28 U.S.C. §§ 1340 and 1345 and by 26 U.S.C. §§ 7402 and 7403.
4. Venue is proper in this action by virtue of 28 U.S.C. § 1396.

PARTIES

5. Plaintiff is the United States of America.
6. Taxpayer is a resident of Norfolk, Virginia, which is within the jurisdiction of this Court.
7. Defendant Edna C. Copeland is joined as a defendant in this action as she may claim an interest in the Real Property as Taxpayer's former wife or former owner of the Real Property, by virtue of a deed dated October 3, 1985.
8. Defendant 1215-1225 Norview Ave, LLC is joined as a defendant in this matter as it may claim an interest in the Real Property by virtue of a deed dated March 9, 2005.
9. Defendant Roland Vaults, LTD is joined as a defendant in this matter as it may claim an interest in the Real Property by virtue of a judgment lien recorded on May 2, 2000.

Roland Vaults, LTD was formerly known as State Manufacturing Co.
10. The Commonwealth of Virginia is joined as a defendant in this matter as it may claim an interest in the Real Property by virtue of liens recorded on May 14, 1997, September 5, 2007, and May 1, 2008.

COUNT I - REDUCE ASSESSMENTS TO JUDGMENT

11. The United States incorporates by reference the allegations set forth in paragraphs 1 through 10 above.
12. A delegate of the Secretary of the Treasury of the United States made the following federal employment (Form 941) tax assessments against Taxpayer:

Type of Tax	Tax Period	First Assessment Date	Balance Due (as of 8/22/2011)
941	6/30/2002	7/14/2003	\$ 3,366.72
941	9/30/2002	7/14/2003	\$ 4,944.60
941	12/31/2002	7/14/2003	\$ 12,496.93
941	9/30/2004	3/7/2005	\$ 7,972.95
941	12/31/2004	3/7/2005	\$ 5,541.43
941	6/30/2005	10/17/2005	\$ 18,008.47
941	9/30/2007	7/14/2008	\$ 10,569.44
941	12/31/2007	7/14/2008	\$ 16,104.33
941	3/31/2008	7/14/2008	\$ 13,498.64
941	6/30/2008	10/6/2008	\$ 9,071.52
941	9/30/2008	10/18/2010	\$ 14,412.02
941	12/31/2008	10/18/2010	\$ 14,123.84
941	3/31/2009	10/18/2010	\$ 13,758.93
941	6/30/2009	10/18/2010	\$ 12,663.81
941	9/30/2009	10/18/2010	\$ 15,064.03
941	12/31/2009	7/11/2011	\$ 11,624.07
941	6/30/2010	7/11/2011	\$ 5,013.90
941	9/30/2010	7/11/2011	\$ 5,472.69

Type of Tax	Tax Period	First Assessment Date	Balance Due (as of 8/22/2011)
941	3/31/2011	6/6/2011	\$ 2,243.36
Total			\$ 195,951.68

13. A delegate of the Secretary of the Treasury of the United States made the following federal unemployment (Form 940) tax assessments against Taxpayer:

Type of Tax	Tax Period	First Assessment Date	Balance Due (as of 8/22/2011)
940	1998	8/11/2003	\$ 4,577.88
940	1999	8/11/2003	\$ 4,308.59
940	2000	7/14/2003	\$ 4,211.71
940	2002	7/14/2003	\$ 3,718.88
940	2007	7/14/2008	\$ 8,892.07
940	2008	10/18/2010	\$ 1,179.97
940	2009	7/18/2011	\$ 234.48
Total			\$ 27,123.58

14. A delegate of the Secretary of the Treasury of the United States made the following penalty assessments under 26 U.S.C. § 6721 against Taxpayer for his failure to file proper information returns for Riddick Funeral Services:

Type of Tax	Tax Period	First Assessment Date	Balance Due (as of 8/22/2011)
6721	2000	10/27/2003	\$ 9,662.29
6721	2005	9/22/2008	\$ 13,810.57
Total			\$ 23,472.86

15. Notice and demand for payment of the assessments described in paragraphs 12 through 14 were given to Taxpayer in accordance with 26 U.S.C. § 6303.
16. Interest and statutory additions have accrued and will continue to accrue on the assessments described in paragraphs 12 through 14.
17. Taxpayer has failed to pay the United States the full amount owed as a result of the assessments described in paragraphs 12 through 14 .
18. By reason of the foregoing, Taxpayer is indebted to the United States for federal employment (Form 941) and unemployment (Form 940) taxes and assessments in connection with 26 U.S.C. § 6721 in the sum of \$246,548.12, as of August 22, 2011, for the periods listed above, plus interest and statutory additions that have accrued and will continue accruing according to law.

**COUNT II - FORECLOSE FEDERAL TAX LIENS AGAINST
THE REAL PROPERTY**

19. The United States incorporates by reference the allegations set forth in paragraphs 1 through 18 above.

***Federal Tax Liens and
Filing of Notices of Federal Tax Lien***

20. By reason of the assessments described in paragraphs 12 through 14 above, federal tax liens arose on the dates of the assessments (the earliest of which is July 14, 2003), and attached to all property and rights to property owned or thereafter acquired by Taxpayer.
21. On December 1, 2003, the United States filed in Norfolk, Virginia a notice of federal tax lien for the federal employment (Form 941) tax assessments for tax periods ending

6/30/2002 through 12/31/2002 and the federal unemployment (Form 940) tax assessments for tax years 1998, 1999, 2000 and 2002.

22. On August 29, 2005, the United States filed in Norfolk, Virginia a notice of federal tax lien for the federal employment (Form 941) tax assessments for tax periods ending 9/30/2004 and 12/31/2004, and the penalty assessment under 26 U.S.C. § 6721 for the tax year 2000.
23. On February 28, 2006, the United States filed in Norfolk, Virginia a notice of federal tax lien for the federal employment (Form 941) tax assessment for tax period ending 6/30/2005.
24. On August 12, 2008, the United States filed in Norfolk, Virginia a notice of federal tax lien for the federal employment (Form 941) tax assessments for tax periods ending 9/30/2007 through 3/31/2008, and the federal unemployment (Form 940) tax assessments for tax year 2007.

Real Property

25. On October 3, 1985, the Real Property was acquired by Taxpayer and his then-wife Edna C. Copeland (previously Edna C. Riddick). The Real Property is more particularly described as:

ALL THOSE certain lots, pieces or parcels of land, with the building and improvements thereon, situate in the City of Norfolk, Virginia, and known, numbered and designated as Lots One (1) and Two (2), as shown on the Plat showing Subdivision Portion of Property belonging to David N. Blake near Norview, which said plat is duly recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia in Map Book 23, at page 84.

There is expressly excepted from this conveyance that portion of said, Lot One(1) which was conveyed to the City of Norfolk for street widening purposes by Harry M. Brown and Ellen L. Brown, his wife, by their deed dated January 6, 1966, recorded in the Clerk's Office of the Circuit Court of the City of Norfolk, Virginia in Deed Book 1044, at page 319; and that portion of said Lot Two (2) which was conveyed to said City for said purpose by Mary T. Cooper and Dudley Cooper, her husband, by their deed dated September 20, 1965, recorded in said last mentioned Clerk's Office in Deed Book 1032, at page 516.

And the parties of the first part do hereby grant and convey unto the said party of the second part, with general warranty, all right, title and interest, if any, of the parties of the first part, in and to the land in the rear of said Lots, which land is subject to a drainage easement held by the City of Norfolk.

It being the same property conveyed to Paul R. Riddick and Edna C. Riddick, husband and wife, by deed of Harvey F. Bryant and Glenelle P. Bryant, his wife, dated September 12, 1985 and duly recorded in the Clerk's Office of the Circuit Court of the City of Norfolk, Virginia in Deed Book 1851 at Page 827.

26. On March 9, 2005, Taxpayer and Edna C. Copeland purportedly transferred their interest in the Real Property to 1215-1225 Norview Avenue, LLC in consideration of ten dollars.

1215-1225 Norview Avenue, LLC as a Nominee of the Taxpayer

27. Since the purchase of the Real Property in 1985, Taxpayer has used, and continues to use, the Real Property as the place of his business, Riddick Funeral Services, of which he is the sole proprietor.
28. Since the purchase of the Real Property in 1985, Taxpayer has paid, and continues to pay, all expenses and upkeep related to the Real Property, thereby deriving the benefits and incurring the burdens relating to the Real Property.

29. 1215-1225 Norview Avenue, LLC acquired its purported ownership interest in the Real Property as a nominee of the Taxpayer for the purpose of evading the collection of the Taxpayer's tax liabilities.
30. Because 1215-1225 Norview Avenue, LLC acquired its purported ownership interest as a nominee of the Taxpayer, Taxpayer is the sole owner of all legal and equitable interest in the Real Property.

Fraudulent Conveyance

31. Alternatively, to the extent that 1215-1225 Norview Avenue, LLC is not a nominee of the Taxpayer, the conveyance to 1215-1225 Norview Avenue, LLC should be set aside as fraudulent on the grounds that it was done with the intent to hinder, delay, or defeat the collection by the United States of the Taxpayer's federal tax liabilities, or in the alternative, was done at a time when Taxpayer was insolvent, or the conveyance rendered him insolvent, and was in exchange for insufficient consideration.

Transfer Subject to Federal Tax Liens

32. Alternatively, the purported transfer of the Real Property to 1215-1225 Norview Avenue, LLC was made subject to the federal tax liens against the Taxpayer for his federal employment (Form 941) tax liabilities for tax periods ending 6/30/2002 through 12/31/2002 and 9/30/2004 through 12/31/2004, the federal unemployment (Form 940) tax liabilities for tax years 1998, 1999, 2000 and 2002, and the assessment under 26 U.S.C. § 6721 for tax year 2000.

Relief Sought

33. By reason of the foregoing the United States has valid and subsisting federal tax liens against the Real Property.
34. The United States seeks to foreclose its federal tax liens against the Real Property, a determination of the interests of the United States and each of the Defendants in the Real Property, a sale of the Real Property, and an order of distribution of the sale proceeds: first, to pay the expenses of the sale; second, to satisfy any and all liens against the property according to their priority; and third, to the Taxpayer.

WHEREFORE, the United States of America, respectfully prays for judgment as follows:

(a) As to Count I, that the Court grant judgment in favor of the United States and against Taxpayer for unpaid taxes, interest, and penalties in the amount of \$246,548.12 as of August 22, 2011, together with all interest and penalties that have accrued and will continue to accrue according to law;

(b) As to Count II, that the Court adjudge and decree that the United States has valid and subsisting liens against the Real Property on the basis that 1215-1225 Norview Avenue, LLC is a nominee of the Taxpayer.

As alternative bases, the United States respectfully prays that the Court adjudge and decree that the United States has valid and subsisting liens against the Real Property because the conveyance should be set aside as fraudulent, or because the conveyance was made subject to federal tax liens.

Further, the United States respectfully prays that the Court order that the federal tax liens attaching to the Real Property be foreclosed, free and clear of any right, title, lien, claim, or interest of any of the Defendants herein, and that the proceeds be distributed; first, to pay the expenses of the sale; second, to satisfy any and all liens against the property according to their priority; and third, to the Taxpayer;

(c) Award the United States of America the cost of prosecuting this action; and

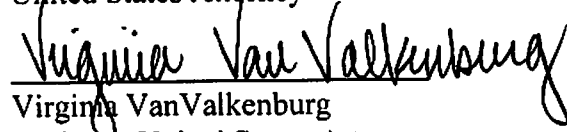
(d) Grant such other and further relief as the Court may deem just and proper under the circumstances.

Dated:

NEIL H. MACBRIDE

United States Attorney

By:



Virginia VanValkenburg

Assistant United States Attorney

Virginia State Bar No. 33258

Attorney for Plaintiff United States

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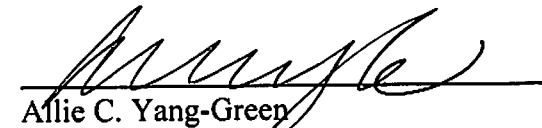
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